

February 4, 2019

Dear Commissioners and Board,

As each of you are aware, the Malheur Enterprise has called into question our real estate transactions stating our proposed budget doesn't align with the negotiated price. To their credit, they correctly identified on page 65 and 67 (of our ODOT submittal) that two of our charts mathematically were inconsistent – see below. I thanked them for bringing this to my attention.

What happened is, I accidentally inserted a previous chart created prior to the real estate negotiations and I didn't catch the error during final editing. This caused confusion. I have contacted the Malheur Enterprise and provided the below explanation – which is completely consistent with the rest of our ODOT submittal.

Negotiations are still ongoing with the property owners and the numbers cited below are fluid.

<u>Category</u>	<u>Total</u>	<u>Notes</u>
Connect Oregon Grant	\$26,000,000	
- Projected Construction Costs	<u>\$21,103,668</u>	Page 76, Figure 33 – see below
Difference	\$ 4,896,332	
- Real Estate Acquisition #1	<u>\$ 2,853,500</u>	Farmer Property – see below
Difference	\$ 2,042,832	
- Real Estate Acquisition #2	<u>\$ 394,650</u>	Nyssa Industries – see below
Difference	\$ 1,648,182	
- Real Estate Acquisition #3	<u>\$ 500,000</u>	Bybee Property – see below
Difference	\$ 1,148,182	
- Facility Manager Salary	<u>\$ 148,182</u>	One Year
Difference	\$ 1,000,000	
Contingency	<u>\$ 1,000,000</u>	4%
Balance	\$ 0	

I apologize for not (initially) understanding the papers line of questions. My error.

Please feel free to call me directly, if I may provide additional clarification. Hopefully, this clarification puts this issue to rest.

Best regards,

Greg

Page 65, Figure 22.

Task	Estimated Cost
Land Acquisition	\$ 1,600,000
Design Engineering	\$ 1,196,000
Permitting, Management, Miscellaneous	\$ 455,000
Site Roadways, Layout, Parking, Utilities, Stormwater, Wetland Mitigation	\$ 4,380,000
Reload Building	\$ 6,758,000
Rail Improvements	\$ 10,020,000

Page 76, Figure 33

**Figure 33. Construction Costs**

Construction Category	Amount
Engineering	\$1,196,000
Permitting	\$ 455,000
Site Roadways Layout, Utilities, Stormwater	\$ 4,380,000
Reload Building	\$6,758,000
Water Extension	\$1,283,000
Exterior Road Improvements	\$3,080,000
Eligible Rail Construction	\$3,452,000
Facility Equipment	\$499,668
<b>Total</b>	<b>\$21,103,668</b>

Source: ECONorthwest using data from construction engineers

## Price

<b>Property Name</b>	<b>Property Owner</b>	<b>Map#</b>	<b>Tax Lot#</b>	<b>Acres</b>	<b>Price/Acre</b>	<b>Total Price</b>
<b>Nyssa</b>						
<b>Zone A</b>	City of Nyssa	19S4720	500	18.96	\$ 9,493.67	\$ 180,000.00
<b>Zone B</b>	Nyssa Industries	19S4720	200	78.93	\$ 5,000.00	\$ 394,650.00
<b>Zone C</b>	Bybee Family	19S4720	3700	35.6	\$ 14,044.94	\$ 500,000.00
<b>Zone D</b>	Farmer Family	19S4717	100	285.35	\$ 10,000.00	\$ 2,853,500.00
<b>Ontario</b>						
<b>Zone A</b>	Weaver Family	18S4716A	900	7.5	\$ 35,000.00	\$ 262,500.00
<b>Zone B</b>	Weaver Family	18S4716A	1100	6.62	\$ 35,000.00	\$ 231,700.00
<b>Zone C</b>	Weaver Family	18S4716A	1000	18	\$ 35,000.00	\$ 630,000.00
<b>Zone D</b>	Navarrete Family	18S4716A	1300, 1200, 1100	166.76	\$ 32,000.00	\$ 5,336,320.00
<b>Zone E</b>	Treasure Valley Renewables	18S4721	200	112.09	\$ 22,303.51	\$ 2,500,000.00